

Consumer Friendly Public Summary Documents (PSDs) – The Basics

What is Medicare?

Medicare is the Australian Government's public health care system that guarantees all citizens (and some overseas visitors) access to a wide range of public health services at little or no cost. It was established in 1984 to help all Australians get the health care they need.

What is the Medical Services Advisory Committee (MSAC)?

The Medical Services Advisory Committee (MSAC) is an independent scientific committee appointed by the Government. Its members include clinicians (medical specialists), health economists (people who investigate how our resources are used in health care) and consumers. Their role is to recommend whether a medical service or technology should be funded by the taxpayer.

MSAC considers applications for the funding of new medical services and technologies, and compares them with any medical services and technologies already funded to provide similar care. They also refer to the best available research evidence and consider submissions from the public. MSAC then advises the Government whether the proposed new service or technology is:

- Safe – there is evidence it does not harm patients.
- Clinically effective – there is evidence that it does what it claims to do (e.g. the service or technology improves quality of life, reduces hospital stay, has less side effects or reduces reliance on medications).
- Cost effective – the cost of the service or technology is justified – taking into account the time and level of professional skill required, and the health outcomes that are expected to be achieved – often comparing it to other (similar) already-funded services or technologies.

After MSAC recommends funding the service or technology, the Government decides if it should be listed on the Medicare Benefits Schedule (MBS) or funded through another source.

What is a PSD?

MSAC's advice to the Minister for Health is written in a Public Summary Document (PSD). Consumer Friendly PSDs give consumers the main points of this advice.

What is the Medicare Benefits Schedule (MBS)?

The Medicare Benefits Schedule lists over 5,700 health services and technologies. It is a list of rebates (linked to fees identified on the MBS for each health service) that the Government pays to patients for services they receive from doctors. These rebates are available to patients or are paid directly to doctors if the service is bulk billed. Medicare benefits (in the form of rebates) are available for all Australians and some categories of visitors to Australia (under [Reciprocal Health Care Arrangements](#) that the Australian Government has with certain countries).

What out of pocket costs do I have to pay?

For services and technologies listed on the MBS, the rebate paid to a patient does not always cover the whole cost. The Government sets MBS fees (and associated rebate amounts) based on consideration of (among other things) how complex the service is and how much technical skill is needed to perform the service. However, doctors are free to set their own fees and sometimes charge more than the Medicare rebate – which means the patient has to pay the gap between the rebate and the doctor's fee. If a service is not listed on the MBS, there is no rebate available, and patients will need to cover the total cost of the service.

What about Private Health Insurance?

Some patients have private health insurance, which sometimes helps with paying fee gaps. Patients with private health insurance can contact their fund to discuss whether a service offered by their doctor is covered under their policy.

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Where can I find out more?

Visit the [MSAC website](#) for further information about the [MSAC process](#).

All MSAC recommendations are subject to approval and funding by the Government before any new item is listed on the MBS. To see if an item has been listed, visit [MBS Online](#) and search for the procedure or service e.g. Image Guided Radiation Therapy.